

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2017-328-E

IN RE:)	
Duke Energy Progress, LLC -)	DUKE ENERGY PROGRESS,
Request Approval of Equal Payment)	LLC INFORMATIONAL REPORT
Plan WeatherProtect)	
_____)	

Pursuant to Duke Energy Progress, LLC's ("DEP" or the "Company") commitment in its April 28, 2020 letter filed with the Commission in the above-referenced docket, the Company files this informational report related to its Equal Payment Plan WeatherProtect ("EPPWP") Pilot, which will end in January 2021 pursuant to Order No. 2020-369.

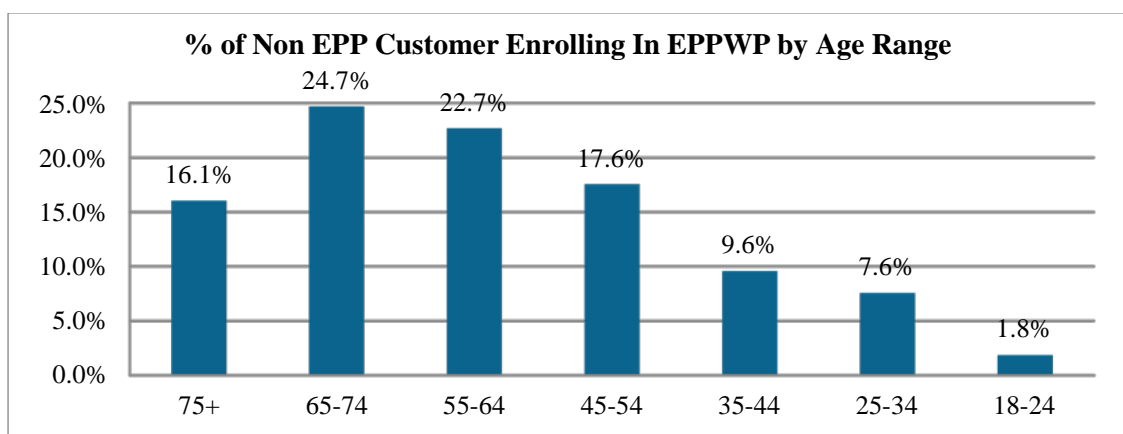
I. Background

DEP originally proposed the EPPWP Pilot in October 2017 based upon its belief that bill certainty is highly valued by a segment of customers given previous participation and high customer satisfaction in the Company's previous Balanced Bill Payment Plan offering. The EPPWP offered customers equal payments over a year and required a true-up to actual energy usage at year-end, capped at a pre-determined energy usage level (kWhs) based on the size of the customer's weather-normalized energy usage. In return, customers paid a pre-determined monthly administrative fee for this certainty about the maximum potential true-up cap protection. The EPPWP payment option was made available to residential customers with a satisfactory payment record who had at least 12 months of usage history and participated in the Company's My Home Energy Report Program. A key component of the offer was a customer-specific analysis of weather sensitivity, resulting in a customer-specific estimate of expected normal usage.

II. Customer Participation

As of April 2020, when the Company expressed its intent to terminate the program, customer enrollment in the EPPWP program was approximately 9,000.¹ The program's initial marketing campaign was conducted in the Fall of 2017 with over 317,000 eligible DEP customers targeted with an email or direct mail marketing piece. 1,774 customers enrolled in the program during this initial campaign, for an initial enrollment rate of 0.56%. This enrollment rate was far lower than what was expected from an initial marketing campaign. As a point of comparison, in the Company's Florida territory, a Fixed Bill program (analogous to DEP's former Balanced Bill program) was launched in Spring of 2018, and currently has over 53,000 customers enrolled in the program. In its initial marketing campaign in Spring 2018, the enrollment rate on the Florida Fixed Bill program was 4.31%, nearly 8 times that of the initial EPPWP campaign. The Company believes that such is indicative of customers desiring a "true Fixed Bill"-type program analogous to the Company's former Balanced Bill program.

Participants in the program skewed toward older age ranges, with 63.5% of enrolled customers age 55+, and over 40% of customers age 65+:



¹ The data provided in this report are for South Carolina and North Carolina, since the same billing system is used across DEP's entire service territory.

III. Customer Usage

The most recent annual data for the twelve months ending June 30, 2020, is shown below:

Duke Energy - EPPWP Annual Reporting	
Description	For the Twelve Months Ending on 06/30/2020
Total number of EPPWP customers (as of 06/30/2019)	9,437
Number of new enrolling EPPWP customers (07/01/2019-06/30/2020)	1,000
Number of re-enrolling EPPWP customers (07/01/2019-06/30/2020)	5,354
Number of EPPWP customers leaving the program (voluntary or terminations) (07/01/2019-06/30/2020)	5,287
Total number of EPPWP customers (as of 06/30/2020)	5,150
For all customers completing their one-year EPPWP contract period:	9,306
Actual kWh consumed by EPPWP customers	129,503,388
Predicted weather normalized kWh consumed by EPPWP customers before enrolling (12 months)	126,580,841
Predicted weather normalized kWh consumed by EPPWP customers after enrolling (12 months)	124,851,414
Variance of weather normalized kWh consumed for EPPWP customers between before and after enrolling	(1,729,427)
Percentage change in energy consumption = variance ÷ before enrolling kWh consumed	-1.37%
Number of EPPWP customers reaching their billing cap	3,967
Total service charges collected from EPPWP customers	\$536,672.88
Total bill coverage provided by Duke Energy for EPPWP customers exceeding their billing cap	\$613,740.68

Rather than demonstrate increased energy usage as might be expected, participating customers' predicted weather-normalized kWh consumption actually declined by 1.37% between the 12 months prior to their EPPWP enrollment and the 12 months after enrollment in the EPPWP program.

IV. Program Termination

In April 2020, the Company filed a letter to notify the Commission its intent to sunset the EPPWP program at the conclusion of the three-year pilot period, which was approved by Commission Order No. 2020-369. This decision was based on the program's lack of customer interest as evidenced by the program's modest enrollment. The Company proposed to provide notice to customers of the termination of the Pilot and give these customers the option of reverting to standard billing or to the Company's standard Equal Payment Plan offering at the conclusion of their EPPWP contracts.

The Company continues to believe that bill certainty offers are highly valued by a segment of customers given previous participation and high customer satisfaction in the Balanced Bill program and high levels in participation in bill certainty programs in its other jurisdictions. The Company plans to continue to assess ways it can offer programs that can build on the learnings from the EPPWP Pilot and provide an offering that provides bill certainty and high levels of satisfaction to its customers.

CONCLUSION

The Companies appreciate this opportunity to provide information to the Commission on the EPPWP program.

DUKE ENERGY PROGRESS, LLC

Heather Shirley Smith, Esquire
Deputy General Counsel
Duke Energy Progress, LLC
40 West Broad St., Suite 690
Greenville, South Carolina 29601
Telephone: (864) 370-5045
heather.smith@duke-energy.com

and



Samuel J. Wellborn (SC Bar No. 101979)
Frank R. Ellerbe, III (SC Bar No. 01866)
Robinson Gray Stepp & Laffitte, LLC
1310 Gadsden Street
Columbia, South Carolina 29201
Telephone: (803) 929-1400
swellborn@robinsongray.com
fellerbe@robinsongray.com

Attorneys for Duke Energy Progress, LLC

December 22, 2020